



State of Tennessee
Department of Education
Office of Special Education

Equipment and Inventory

Definition of Equipment

Every local educational agency (LEA) should have an approved definition of *equipment*. If there is none, the state of Tennessee definition of *equipment* applies as follows: *equipment* is “all items (machinery, implements, tools, furniture, livestock, vehicles, and other apparatus) with a unit cost of \$5,000.00 or more and a minimum useful life expectancy of three years. *(Please note that the definition in EDGAR includes a useful life expectancy of one year or more—because this is more restrictive we must use the definition from EDGAR.)* Freight charges and installation cost should be included as cost of equipment. *Sensitive minor equipment* is defined as “items purchased with a cost between \$100.00 and \$5,000.00.” It includes sensitive items such as computers, external computer peripherals, weapons, etc., as determined by the State Personal Property Section.

The LEA may decide to adhere to a definition for equipment that is more restrictive than this definition, but it cannot be less restrictive.

The LEA must use the same definition for all equipment including, but not limited to, equipment used by nonpublic schools. The LEA cannot apply a more stringent standard for federal programs.

Guidelines for Equipment

Purchasing—Within the LEA Comprehensive Application, LEAs will budget in the equipment line item sufficient funds for planned purchases of any items to be considered to be equipment by the above definitions (or the LEA definition if it is more restrictive). The LEA will maintain all supporting documentation: inventory records, purchase orders, receipts, and vendor contracts.

For equipment purchases not originally included in the LEA Comprehensive Application, prior written approval by the Assistant Commissioner of Special Education is required for purchases of those items of equipment that have a unit cost of \$5,000 or more. Please submit this approval request through an amendment or addendum to your Management Consultant who will review the request prior to forwarding it to the Director of Program Management Services.

All purchases must be made in compliance with policies and statutes governing the LEA.

Allowable Equipment--*The LEA is responsible for assuring that only allowable equipment is purchased.* If in doubt, please call or submit a list of proposed purchases to the IDEA Management Consultant serving your district for discussion. However, prior approval in writing is required for items costing \$5,000 or more.

An LEA may purchase or lease equipment with IDEA funds if 1) it is reasonable and necessary to operate its federal program effectively, 2) existing equipment will not be sufficient and (3) the costs are reasonable.

A bar code or other type of secure tag must be affixed to identify each piece of equipment. The name of the LEA, the Title, and project year of the purchase is required unless the purchases are made as part of schoolwide projects under IDEA regulations. Equipment items bought as a part of a schoolwide program under Title 1 of the ESEA are required to have the following: the name of the LEA, the name of the school, the project year of the purchase, and *schoolwide*. Please remember that if the LEA is using IDEA funds as part of a schoolwide program, the appropriate form in their LEA Comprehensive Application must have been completed and submitted with their Application.

All items purchased as equipment, including sensitive equipment, as well as materials and supplies must be accounted for in such a manner as to avoid fraud, waste, or abuse. These purchases will be reviewed as a part of the regular monitoring process.

Equipment Inventory (EDGAR Section 80.32)

The LEA must maintain an inventory of equipment purchased with federal grant funds until disposition takes place.

The property/inventory records must include the following information:

- Description of the property;
- A serial number or other identification number;
- The source of the property;
- Who holds title;
- The acquisition date;
- Cost of the property;
- Percentage of Federal participation in the cost of the property;
- The location, use, and condition of the property, and;
- Any ultimate disposition data including date of disposal and the sale price of the property.

A physical inventory with reconciliation with property records is required at least once every two years.

Also, an inventory control system must be developed and implemented to prevent loss, damage, or theft of the property. Any loss, damage, or theft must be investigated.

Adequate maintenance procedures must be developed to keep property in good condition.

Equipment Requirements Concerning Private Schools (34 CFR §300.144)

The LEA must control and administer funds used to provide special education and related services under §300.137 through 300.139, and hold title to and administer materials, equipment, and property purchased with those funds for the uses and purposes provided in the Act.

The LEA may place equipment and supplies in a private school for the period of time needed for the Part B program.

The LEA must ensure that the equipment and supplies placed in a private school:

- (1) Are used only for Part B purposes; and

(2) Can be removed from the private school without remodeling the private school facility.

The LEA must remove equipment and supplies from a private school if:

- (1) The equipment and supplies are no longer needed for Part B purposes; or
- (2) Removal is necessary to avoid unauthorized use of the equipment and supplies for other than Part B purposes.

No funds under Part B of the Act may be used for repairs, minor remodeling, or construction of private school facilities.

Barcodes or secure codes must be put on equipment, and it must be labeled with the name of the LEA, federal program purchased under, and the year of purchase. An accurate inventory of this equipment must be maintained.

Disposition of Equipment (EDGAR 80.32)

Equipment may be disposed of with no obligation to the federal government, if **ALL** of the following criteria are met:

- (1) Equipment is no longer needed in the current program.
- (2) Equipment is not needed in other programs currently or previously funded by a federal agency.
- (3) Equipment item has a current per-unit fair market value of less than \$5,000.

The LEA must submit an equipment disposition summary to the State (through the Management Consultant) for review.

If the equipment's fair market value is more than \$5,000, the LEA must submit a cover letter with supporting documentation as per the forms provided by the Office of Management Services to their IDEA Management Consultant for review and submission to the Office of Management Services. Once approval is provided, the LEA may proceed with the disposition process. If items are to be sold after approval of the disposition, the proceeds must be used to support the program for which the equipment was purchased. Documentation of such sale and use for the program must be maintained.

If authorized or required to sell property, proper sales procedures must be established to ensure the highest possible return.

Date

Kathi Rowe, Director of IDEA Fiscal Management Services
Tennessee Department of Education
Division of Special Education
7th Floor, Andrew Johnson Tower
710 James Robertson Parkway
Nashville, Tennessee 37243-0380

Dear Ms. Rowe,

The _____ School System has revised its inventory of all equipment purchased with IDEA, Part B and/or IDEA Preschool funds. It has determined that certain items no longer work or are no longer needed in the IDEA Program. Consequently, it is necessary that these items be deleted from our current inventory (see attached list). The Rules and Regulations, Section 80.32 (e), Federal Register, June 23, 2005, (EDGAR), state:

“When original or replacement equipment is no longer to be used in projects or programs currently or previously sponsored by the Federal Government, disposition of the equipment shall be made as follows:

- (1) Items of equipment with a current per-unit fair market value of less than \$5,000 may be retained, sold, or otherwise disposed of with no further obligation to the awarding agency”.

All items requested for disposition meet the following requirements:

- (a) Are no longer needed for the original project or program.
- (b) Cannot be used in projects currently or previously supported by other Federal agencies; and,
- (c) All equipment requested for disposition has a current per-unit fair market value of less than \$5,000.

This disposition of equipment will be maintained on file after being reviewed by your office.

Respectfully,

Superintendent/Director of Schools

nm/bt
Attachments

CC: IDEA Fiscal Management Consultant
Special Education Supervisor



State of Tennessee
Department of Education
Division of Special Education

Description of the Property	Serial Number or Other Identification Number	Source of Property	Who Holds Title	Acquisition Date	Cost of the Property	% of IDEA Participation in the Cost of the Property	*OriginalPurchase Price/Fair Market Value	Location of the Property	Use of the Property And the Condition of the Property	<u>Ultimate Disposition Data</u> <u>—Date and Sale Price—to be added after disposition</u>

* Fair market value only if original cost was \$5,000 or greater.